

City of Houston, Texas, Ordinance No. 2017 - 846

AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF THE HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY ON BEHALF OF TAX INCREMENT REINVESTMENT ZONE NUMBER TWENTY-ONE, CITY OF HOUSTON, TEXAS (HARDY/NEAR NORTHSIDE ZONE); APPROVING THE FISCAL YEAR 2018 OPERATING BUDGET FOR THE AUTHORITY AND THE FISCAL YEARS 2018-2022 CAPITAL IMPROVEMENT PLAN BUDGET FOR THE ZONE; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, the City of Houston (the "City") created Reinvestment Zone Number Twenty-One, City of Houston, Texas (the "Zone" or "Hardy/Near Northside Zone") by Ordinance No. 2003-1258 effective on December 23, 2003; and

WHEREAS, the Hardy/Near Northside Redevelopment Authority (the "Authority"), a local government corporation acting on behalf of the City in connection with the Zone, has submitted an Operating Budget for Fiscal Year 2018 (the "Operating Budget") and a Capital Improvement Plan Budget for Fiscal Years 2018-2022 (the "CIP Budget" and, collectively with the Operating Budget, the "Budgets") to the City Council for approval pursuant to that certain agreement among the City, the Authority, and the Zone approved by Ordinance No. 2009-1271 on December 9, 2009; and

WHEREAS, the City Council desires to approve the Budgets for the Authority on behalf of the Zone; **NOW, THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That the findings contained in the preamble of this Ordinance are determined to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. That the City Council takes cognizance of the fact that in order to

implement the Project Plan and Reinvestment Zone Financing Plan for the Zone, and to make adjustments occasioned by events transpiring during the year, the Authority, upon the approval of the City's Chief Development Officer, may transfer funds from one line item of Project Costs shown on Exhibit "A" to another. Unless approved by the City Council, the Authority may transfer funds only (1) as needed for Debt Service; and (2) from one line item of Project Costs to another, provided that the aggregate of such transfers does not exceed the lesser of \$400,000 or 5% of Project Costs during Fiscal Year 2018. Subject to the foregoing, the Operating Budget attached hereto as Exhibit "A" is hereby approved for the Authority.

Section 3. That the CIP Budget attached hereto as Exhibit "B" is hereby approved for the Zone.

Section 4. That not later than March 31, 2018, the Zone shall, in cooperation with City representatives: (1) identify surplus funds in the Zone's Fiscal Year 2018 Operating Budget based on the difference between Zone revenues and the Fiscal Year 2018 Operating Budget approved by the City; and (2) make available any surplus Zone funds, through appropriate agreement, for projects identified by the City that are eligible for tax increment funding, such as affordable housing, areas of public assembly, incremental costs of municipal services attributable to development and redevelopment in the Zone, and capital projects that benefit the City and the Zone. The agreement may provide for the payment of surplus funds into one or more accounts established by the City or may provide for direct payment by the Zone for that purpose. The Zone shall consider amendments to the Zone Project Plan and Reinvestment Zone Financing Plan that may be necessary to accomplish this purpose, and shall expedite any such

amendments.

Section 5. That the approval of the Budgets is contingent upon receipt by the City's Chief Development Officer of a document signed by the Administrator of the Zone disclosing the name of each owner or developer of property within the Zone from which the Administrator has received compensation during the last five calendar years, and the amount of compensation by owner by year. Compensation may be expressed by category as follows:

Category I	Less than \$1,000.00
Category II	At least \$1,000.00 but less than \$10,000.00
Category III	At least \$10,000.00 but less than \$50,000.00
Category IV	At least \$50,000.00 but less than \$100,000.00
Category V	At least \$100,000.00 but less than \$500,000.00
Category VI	At least \$500,000.00 but less than \$1,000,000.00
Category VII	\$1,000,000.00 or more

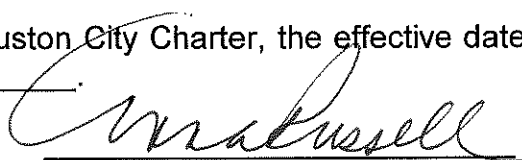
Section 6. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 25th day of October, 2017.

APPROVED this _____ day of _____, 2017.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is OCT 31 2017


City Secretary

(Prepared by Legal Department

(JN: 10.03.2017)


Assistant City Attorney

(Requested by Andy Icken, Chief Development Officer, Office of the Mayor)

(L.D. File No. 042-1400131-006)

AYE	NO	
✓		MAYOR TURNER
....	COUNCIL MEMBERS
✓		STARDIG
✓		DAVIS
✓		COHEN
✓		BOYKINS
✓		MARTIN
✓		LE
✓		TRAVIS
✓		CISNEROS
✓		GALLEGOS
✓		LASTER
✓		GREEN
✓		KNOX
✓		ROBINSON
ABSENT		KUBOSH
✓		EDWARDS
✓		CHRISTIE
CAPTION	ADOPTED	

CAPTION PUBLISHED IN DAILY COURT
REVIEW
DATE: OCT 31 2017

EXHIBIT "A"

**Fiscal Year 2018 Operating Budget
for the Hardy/Near Northside Redevelopment Authority**

CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2018 BUDGET PROFILE

Fund Summary
Fund Name: Hardy Yards/Near Northside
TIRZ: 21
Fund Number: 7569/50

P R O F I L E	Base Year:	2003
	Base Year Taxable Value:	\$ 40,313,080
	Projected Taxable Value (TY2017):	\$ 161,746,546
	Current Taxable Value (TY2016):	\$ 152,591,081
	Acres:	326.1
	Administrator (Contact):	City of Houston
	Contact Number:	(832) 393-0985

N A R R A T I V E	Zone Purpose:
	Tax Increment Reinvestment Zone Number Twenty-One, City of Houston, Texas was created to provide plans and programs needed to reposition a former Union Pacific rail yard site into a mixed-use development consisting of affordable housing and transit oriented mixed-use development through the design and construction of roadways and streets, utility systems, parks, hike and bike trails, mobility improvements, land acquisition and environmental remediation.
	402/518 /958481

		Total Plan	Cumulative Expenses (to 6/30/16)	Variance
P R O J E C T	Capital Projects:			
	Roadway and Sidewalk Improvements	\$ 37,692,000	\$ 10,074,912	\$ 27,617,088
	Public Utility Improvements	7,884,000	-	7,884,000
	Parks, Plazas and Recreational Facilities	4,328,000	-	4,328,000
		-	-	-
		-	-	-
		-	-	-
	Total Capital Projects	\$ 49,904,000	\$ 10,074,912	\$ 39,829,088
P L A N	Affordable Housing	24,920,874	928,789	23,992,085
	School & Education/Cultural Facilities	-	-	-
	Financing Costs	1,700,000	-	1,700,000
	Administration Costs/ Professional Services	2,200,000	391,047	1,808,953
	Creation Costs	-	-	-
	Total Project Plan	\$ 78,724,874	\$ 11,394,748	\$ 67,330,126

	Additional Financial Data	FY2017 Budget	FY2017 Estimates	FY2018 Budget
D E B T	Debt Service	\$ -	\$ -	\$ -
	Principal	\$ -	\$ -	\$ -
	Interest	\$ -	\$ -	\$ -
		Balance as of 6/30/16	Projected Balance as of 6/30/16	Projected Balance as of 6/30/17
	Year End Outstanding (Principal)			
	Bond Debt	\$ -	\$ -	\$ -
	Bank Loan	\$ -	\$ -	\$ -
	Line of Credit	\$ -	\$ -	\$ -
	Developer Agreement	\$ -	\$ -	\$ -
	Other	\$ -	\$ -	\$ -

CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2018 BUDGET DETAIL

Fund Summary
Fund Name: Hardy Yards/Near Northside
TIRZ: 21
Fund Number: 7569/50

TIRZ Budget Line Items	FY2017 Budget	FY2017 Estimates	FY2018 Budget
RESOURCES			
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Developer Reimbursement	\$ -	\$ -	\$ -
UNRESTRICTED Funds	\$ 1,087,852	\$ 1,129,885	\$ 1,482,469
Beginning Balance	\$ 1,087,852	\$ 1,129,885	\$ 1,482,469
City tax revenue	\$ 306,914	\$ 635,178	\$ 683,662
County tax revenue	\$ -	\$ -	\$ -
ISD tax revenue	\$ -	\$ -	\$ -
ISD tax revenue - Pass Through	\$ -	\$ -	\$ -
Community College tax revenue	\$ -	\$ -	\$ -
Incremental property tax revenue	\$ 306,914	\$ 635,178	\$ 683,662
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Miscellaneous revenue	\$ -	\$ -	\$ -
COH TIRZ interest	\$ 170	\$ 170	\$ 170
Interest Income	\$ 162	\$ 2,818	\$ 162
Other Interest Income	\$ 332	\$ 2,988	\$ 332
	\$ -	\$ -	\$ -
Ike Recovery Funds - COH Housing	\$ 4,027,518	\$ 7,958,481	\$ 1,286,961
Grant Proceeds	\$ 4,027,518	\$ 7,958,481	\$ 1,286,961
	\$ -	\$ -	\$ -
Proceeds from Bank Loan	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Contract Revenue Bond Proceeds	\$ -	\$ -	\$ -
TOTAL AVAILABLE RESOURCES	\$ 5,422,616	\$ 9,726,533	\$ 3,453,424

CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2018 BUDGET DETAIL

Fund Summary
Fund Name: Hardy Yards/Near Northside
TIRZ: 21
Fund Number: 7569/50

TIRZ Budget Line Items	FY2017 Budget	FY2017 Estimates	FY2018 Budget
EXPENDITURES			
Accounting	\$ 10,000	\$ 11,553	\$ 10,000
Administration Salaries & Benefits	\$ 25,000	\$ 12,128	\$ 25,000
Auditor	\$ 10,000	\$ 10,500	\$ 10,000
Bond Services/Trustee/Financial Advisor	\$ -	\$ -	\$ -
Insurance	\$ 1,000	\$ 925	\$ 1,000
Office Administration	\$ 250	\$ -	\$ 250
TIRZ Administration and Overhead	\$ 46,250	\$ 35,106	\$ 46,250
Engineering Consultants	\$ 45,000	\$ -	\$ -
Legal	\$ 25,000	\$ 1,142	\$ 25,000
Construction Audit	\$ -	\$ -	\$ -
Planning Consultants	\$ 45,000	\$ 5,850	\$ 45,000
Program and Project Consultants	\$ 115,000	\$ 6,992	\$ 70,000
Management consulting services	\$ 161,250	\$ 42,098	\$ 116,250
Capital Expenditures (See CIP Schedule)	\$ 382,600	\$ -	\$ 1,286,961
TIRZ Capital Expenditures	\$ 382,600	\$ -	\$ 1,286,961
Hardy Yards/Cypress Development	\$ 4,027,518	\$ 7,958,481	\$ 878,685
Developer / Project Reimbursements	\$ 4,027,518	\$ 7,958,481	\$ 878,685
System debt service	\$ -	\$ -	\$ -
TOTAL PROJECT COSTS	\$ 4,571,368	\$ 8,000,579	\$ 2,281,896
Payment/transfer to ISD - educational facilities	\$ -	\$ -	\$ -
Payment/transfer to ISD - educational facilities (Pass Through)	\$ -	\$ -	\$ -
Administration Fees:			
City	\$ 15,346	\$ 31,759	\$ 34,183
County	\$ -	\$ -	\$ -
ISD	\$ -	\$ -	\$ -
HCC	\$ -	\$ -	\$ -
Affordable Housing:			
City	\$ 102,305	\$ 211,726	\$ 227,887
County	\$ -	\$ -	\$ -
ISD to City of Houston	\$ -	\$ -	\$ -
Municipal Services (Payable to COH)	\$ -	\$ -	\$ -
Total Transfers	\$ 117,651	\$ 243,485	\$ 262,070
Total Budget	\$ 4,689,019	\$ 8,244,064	\$ 2,543,966
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ 706,523
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Developer Reimbursement	\$ -	\$ -	\$ -
UNRESTRICTED Funds	\$ 733,597	\$ 1,482,469	\$ 202,935
Ending Fund Balance	\$ 733,597	\$ 1,482,469	\$ 909,458
Total Budget & Ending Fund Balance	\$ 5,422,616	\$ 9,726,533	\$ 3,453,424

Notes:

EXHIBIT "B"

**Fiscal Years 2018-2022 Capital Improvement Plan Budget
for the Hardy/Near Northside Zone**

Council District	CIP No.	Project	Fiscal Year Planned Appropriations								Cumulative Total (To Date)
			Through 2016	Projected 2017	2018	2019	2020	2021	2022	FY18 - FY22 Total	
H	T-2101	Near Northside Hernandez Tunnel	\$ -	-	1,286,961	-	-	-	-	1,286,961	1,286,961
H	T-2199	Concrete Panel Replacement Program	\$ -	-	-	-	-	-	-	-	-
Totals			\$ -	\$ -	\$ 1,286,961	\$ -	\$ -	\$ -	\$ -	\$ 1,286,961	\$ 1,286,961

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Source of Funds	Fiscal Year Planned Appropriations								
	Through 2016	Projected 2017	2018	2019	2020	2021	2022	FY18 - FY22 Total	Cumulative Total (To Date)
TIRZ Funds	-	-	-	-	-	-	-	-	-
City of Houston	-	-	-	-	-	-	-	-	-
Grants	-	-	1,286,961	-	-	-	-	1,286,961	1,286,961
Other	-	-	-	-	-	-	-	-	-
Project Total	-	-	1,286,961	-	-	-	-	1,286,961	1,286,961

Project:	Near Northside Hernandez Tunnel	City Council District		Key Map:		491	WBS.:	T-2101	
		Location:		Geo. Ref.:					
		Served:		Neighborhood:					
Description:	Tunnel rehabilitation and South Ramp rehabilitation. Pavement resurfacing, concrete wall surface repairs, pedestrian railing replacements, safety lighting and warning system, graffiti removal	Operating and Maintenance Costs: (\$ Thousands)							
		2018	2019	2020	2021	2022	Total		
	Personnel	-	-	-	-	-	-	\$ -	
	Supplies	-	-	-	-	-	-	\$ -	
	Svcs. & Chgs.	-	-	-	-	-	-	\$ -	
	Capital Outlay	-	-	-	-	-	-	\$ -	
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	FTEs								
Fiscal Year Planned Expenses									
Project Allocation	Projected Expenses thru 6/30/16	2017 Budget	2017 Estimate	2018	2019	2020	2021	FY18 - FY22 Total	Cumulative Total (To Date)
Phase									
1 Planning	-	-	-	-	-	-	-	\$ -	\$ -
2 Acquisition	-	-	-	-	-	-	-	\$ -	\$ -
3 Design		-	-	-	-	-	-	\$ -	\$ -
4 Construction		-	-	1,199,580	-	-	-	\$ 1,199,580	\$ 1,199,580
5 Equipment	-	-	-	-	-	-	-	\$ -	\$ -
6 Close-Out	-	-	-	-	-	-	-	\$ -	\$ -
7 Other: Construction Mgmt	-	-	-	87,381	-	-	-	\$ 87,381	\$ 87,381
	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	\$ -	\$ -
	-	-	-	-	-	-	-	\$ -	\$ -
Other Sub-Total:	-	-	-	87,381	-	-	-	\$ 87,381	\$ 87,381
Total Allocations									
	\$ -	\$ -	\$ -	\$ 1,286,961	\$ -	\$ -	\$ -	\$ 1,286,961	\$ 1,286,961
Source of Funds									
TIRZ Funds		-	-	-	-	-	-	\$ -	\$ -
City of Houston	-	-	-	-	-	-	-	\$ -	\$ -
Grant Funds	-	-	-	1,286,961	-	-	-	\$ 1,286,961	\$ 1,286,961
Other	-	-	-	-	-	-	-	\$ -	\$ -